

# Gamuda's Lin concurs with Nazir

**MD believes ethnic quota system hindering competition in the economy**

by **Angus Whitley**

**KUALA LUMPUR:** Gamuda Bhd managing director Datuk Lin Yun Ling said Malaysia's ethnic quota system is impairing competition, the second business leader to call for change in as many days as the country seeks to avoid a recession.

"There needs to be a lot of competitiveness and competition instilled in our economy, not just the corporate sector," Lin said at a seminar in Kuala Lumpur to discuss the financial crisis yesterday.

"If everything is based on quotas, and merit is discarded, then it will be a long and slippery road down." Gamuda is Malaysia's second-biggest builder by market value.

Malays, about two thirds of Malaysia's 27 million population, are

given priority regarding homes, university places, commercial contracts, and company share issues.

On Tuesday, Datuk Seri Nazir Razak, head of Bumiputra-Commerce Holdings Bhd, the Southeast Asian nation's third-biggest bank, said the policy is impeding investment and growth amid a global recession.

The programme, introduced in 1971 to reduce poverty and address wealth imbalances among Malaysia's ethnic groups, removes competition from everyday life and its implications haven't been fully considered, Lin said in an interview after his speech. Lin said he supports the welfare goals of the system.

Malaysia's main ethnic minorities are Chinese and Indian. An opposition alliance led by Datuk Seri Anwar Ibrahim made record inroads into the government's majority at elections last March after pledging to scrap the race-based policy.

Foreign companies in Malaysia must allocate 30% equity to Malays under the programme, known as

the New Economic Policy.

Local companies must allocate a portion of contracts to domestic operators. Gamuda, after winning a RM12.5 billion double-tracking rail project in Malaysia in 2007, awarded 30% of the local contracts to Malay businesses. — *Bloomberg*

